Ukrainian agribusiness urges swift EU action on post-ATM trade deal

07 April 2025 | News

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Ukraineâ??s leading agricultural organizations are calling on the European Union to accelerate negotiations on a long-term trade agreement, warning of serious economic consequences if a new deal is not reached before the current Autonomous Trade Measures (ATM) regime expires on June 5, 2025.

The Ukrainian Agribusiness Club (UCAB), along with other major agricultural associations under the Public Union "Ukrainian National Agrarian Forum" (UNAF), emphasised the urgent need to secure a new trade framework with the EU. The Forum unites key stakeholders in the agri-food sector, including the Agrarian Union of Ukraine, All-Ukrainian Agrarian Council, Poultry Union of Ukraine, Ukrainian Agrarian Confederation, Association of Milk Producers, Association of Pig Breeders of Ukraine, and the National Association of Sugar Producers of Ukraine.

The ATM regime, introduced in 2022, granted Ukrainian producers tariff-free access to EU markets as part of the EUâ??s support for Ukraine amid the ongoing war. However, with the regime set to expire in less than two months, industry leaders warn that reverting to pre-2022 tariffs and quotas could deal a heavy blow to Ukraineâ??s economy.

According to preliminary estimates, the return of trade restrictions could cost the Ukrainian economy up to â?¬3.3 billion in lost foreign exchange earnings, leading to a 2.52 per cent drop in GDP, a 7.74 per cent fall in agricultural production, and a 4.15 per cent decline in tax revenues for local and state budgets.

While the sector supports the European Commissionâ??s proposal to transition from the annual ATM renewals to a long-term bilateral trade agreement under Article 29 of the EUâ??Ukraine Association Agreement, representatives stress that negotiations must be concluded in time to avoid any disruption.

â??A permanent agreement would provide much-needed stability and predictability for Ukrainian exporters and European partners alike,â?• UNAF said in a joint statement. â??It would also allow for a gradual liberalisation of trade, taking into account sensitive sectors and safeguard mechanisms.â?•

The agrarian community is urging both Kyiv and Brussels to treat the matter with urgency and finalize a new agreement before the June deadline. Without it, experts warn, Ukraineâ??s agribusiness sectorâ??already under immense pressure due to wartime challengesâ??could face another major setback.